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September 14, 2006

SENT VIA E-MAIL

Ms. Jessica Hecht
California Public Utilities Commission
505 Van Ness Avenue, 2nd Floor
San Francisco, California 94102

Re: AT&T California's Comments on the Draft Report on the Challenges Facing Consumers with Limited English Skills in the Rapidly Changing Telecommunications Marketplace

Dear Ms. Hecht:

Pursuant to the letter from Executive Director Steve Larson dated August 24, 2006, AT&T California¹ hereby comments on the Draft Report on the Challenges Facing Consumers with Limited English Skills in the Rapidly Changing Telecommunications Marketplace ("Draft Report"), dated August 21, 2006.

I. BACKGROUND

Pursuant to the Consumer Protection Initiative ("CPI") Decision,² the Commission's Consumer Services and Information Division, Telecommunications Division, and the Consumer

¹ Pacific Bell Telephone Company formerly did business as SBC California. On November 18, 2005, SBC Communications Inc. (the parent of Pacific Bell Telephone Company) merged with AT&T Corp. to form AT&T Inc. Pacific Bell Telephone Company now does business as AT&T California.

² Re Establishment of Consumer Rights and Protection Rules Applicable to All Telecommunications Utilities, Decision No. 06-03-013, Decision Issuing Revised General Order 168 and Market Rules to Empower Telecommunications Consumers and to Prevent Fraud, 2006 WL 768716 (Cal.P.U.C. Mar. 2, 2006).

**AT&T CALIFORNIA
PROPRIETARY AND CONFIDENTIAL INFORMATION
REDACTED AND DESIGNATED WITH "****"**

Protection and Safety Division (collectively, “Staff”) distributed the Draft Report on August 21, 2006. AT&T California congratulates Staff for its exhaustive efforts in compiling the 77-page Draft Report, which includes extensive research, conclusions, and recommendations.

Additionally, Staff held a workshop on August 24, 2006 to discuss the Draft Report. Members of the telecommunications industry, Commissioners, Staff as well as a large number of Community Based Organizations (“CBOs”) participated in the workshop. Subsequently, the parties received an extension until September 14, 2006 to file comments. The Final Report will be issued on October 5, 2006.

II. AT&T CALIFORNIA’S COMMENTS ON THE PROPOSALS FOR IMMEDIATE ACTION IN THE DRAFT REPORT

1. The Draft Report states that the language requirements in various Commission decisions and Commission programs should be reconciled.³ Specifically, the Local Competition Decision⁴ includes Japanese, but the CPI Decision does not. The Local Competition Decision also separates Chinese into Mandarin and Cantonese. Finally, Hmong is not included in the Local Competition Decision, but is included in the CPI Decision. The chart below compares the languages listed in these two decisions.

Local Competition Decision D.96-10-076	Consumer Protection Decision D.06-03-013
	English
Spanish	Spanish
Cantonese	Chinese
Mandarin	
Vietnamese	Vietnamese
Korean	Korean
Japanese	
Tagalog	Tagalog
	Hmong

³ Draft Report, p. iii.

⁴ Re Local Exchange Competition, Decision No. 96-10-076, Opinion, 69 Cal. P.U.C.2d 65, 73 (Oct. 25, 1996).

As a preliminary matter, it should be noted that the list in the Local Competition Decision applies to carrier marketing, while the CPI Decision discusses languages in which the Commission should offer outreach. These two lists do not necessarily have to be the same because they were created for different purposes. However, it may be useful to reconcile them to avoid confusion. The main difference is that Hmong has been added because it is one of the most frequently spoken languages in the State. However, it does not make sense to blindly adopt a list of languages because they are the most frequently spoken. Instead, the Commission should consider other factors, such as the unique characteristics of the languages. For example, AT&T California does not believe that Hmong should be included on the reconciled list because, traditionally, Hmong was not a written language and, consequently, there is some question as to the usefulness of written materials translated into Hmong.⁵ Additionally, Hmong is the common name for a group of dialects of the West Hmongic branch of the Hmong-Mien/Miao-Yao language family. Some dialects are mutually intelligible, while others are so distinct as to be considered separate languages.⁶ Hmong speakers may not necessarily read the Hmong language or understand other spoken Hmong dialects. For these reasons, the Commission should not include Hmong on the reconciled list of languages.

The issues related to the Hmong language provide an example of the problems associated with requiring in-language materials based solely on the most commonly spoken languages. There are many different considerations that affect whether it makes sense for carriers to provide in-language materials, including the geographic concentrations of certain speakers within their service territories. While carriers should not be required to provide materials in Hmong for the reasons stated above, the Commission and carriers may want to include it for consumer education efforts. Accordingly, carriers should have the discretion to choose the languages in which they provide in-language materials.

⁵ Available at: <http://socrates.berkeley.edu/~dmort/hmong_lang_faq.html>.

⁶ Available at: <http://en.wikipedia.org/wiki/Hmong_language>.

2. The Draft Report directs Staff to review all of the Commission's public outreach and consumer education materials to ensure they meet the appropriate comprehension level.⁷ To accomplish this goal, AT&T California believes the Commission should create a position for an employee in the Public Advisor's office who is devoted to issues associated with consumers with limited English proficiency ("LEP"). This new position would ensure that the Commission institutionalizes its commitment to making telecommunications services available to LEP consumers. The LEP liaison could hold quarterly advisory meetings with a task force to plan outreach, develop content, and establish points of contact for CBOs. This could be modeled on the Pacific Bell Multi-Lingual Consumer Advisory Council, which existed in the 1980s and provided helpful information to AT&T California on diversity marketing.⁸

3. The Draft Report directs the Commission to revise its list of languages for consumer education and outreach to add languages associated with linguistically isolated households and languages with growing or concentrated populations.⁹ Pursuant to the CPI Decision, the Commission's list of languages used for education and outreach reflects the seven languages most frequently spoken in California.¹⁰ To the extent Staff conducts education and outreach in more than the seven languages listed in the CPI Decision, it should use some sort of objective criteria for adding or deleting languages. AT&T California is not aware of how the Staff determined it would translate materials into 13 languages for the current CPI initiative,¹¹ and it would be helpful for the Commission to explain that process. Additionally, to avoid any confusion, the Draft Report should clarify that the Commission's list of languages for outreach and education may differ from the list of languages adopted by the Commission's decisions that apply to carrier marketing and the in-language materials provided by carriers. The Commission

⁷ Draft Report, p. iii.

⁸ See Pacific Bell Multi-Lingual Consumer Advisory Council Report attached to AT&T California's Response to the Commission's In-language Survey (July 14, 2006).

⁹ Draft Report, p. iii.

¹⁰ CPI Decision, p. 132.

¹¹ Draft Report at 56, fn. 24.

may expand its education and outreach efforts to include as many languages as it chooses, but that does not mean carriers must expand their marketing and other operational efforts into those same languages.

4. The Draft Report states the Commission's new CAB database should capture the language in which complaints are filed and whether outcomes of complaints differ due to language barriers.¹² AT&T California interprets this to mean that for verbal complaints, the CAB database will reflect the language preference of the complainant, but the Commission will still send its written version of the complaint based on the conversation with the customer to the carrier in English. For written complaints, we assume the original complaint will be sent to the carriers in the language it was received. If the Commission decides to translate written complaints before sending them to the carriers, it should send both the translation and the original to the carrier, and there should be a process for resolving any conflicts that may arise over different interpretations made by the Commission and the carrier. It would be helpful for Staff to identify what language information will be recorded in the CABS database. As to determining how outcomes vary based on language, there should be some explanation from the Staff as to how such determinations would be made.

5. The Draft Report proposes that Staff, CBOs, and carriers hold "office hours" throughout the State.¹³ To facilitate carrier participation, AT&T California suggests that the "office hours" should be scheduled at least two months in advance, include a distributed agenda, and be held on week days and evenings, when customers and carrier service managers are more readily available. Also, the Commission should provide outreach and publicity designed to reach the targeted groups of people who need assistance. The "office hours" should be coordinated with similar activities that are already scheduled. For example, AT&T California and the Latino Issues Forum are planning bill clinics; the first one is planned for October 19, 2006. Such

¹² Id. at iii.

¹³ Id.

coordination will ensure efficient use of community, carrier, and Commission resources, allowing all to capitalize on experiences and key learnings.

6. The Draft Report states procedures should be set up to refer suspected fraud, marketing abuse, and other possible violations involving in-language marketing and customer service to the Enforcement Branch and the Fraud Unit.¹⁴ AT&T California wholly supports this proposal. The procedures should include a flowchart covering all the channels that submit LEP complaints to the Commission, as well as an organizational chart for the different organizations within the Commission that receive such complaints. The procedures should give clear direction to the CBOs regarding submission of complaints and should explain how complaints are processed between the Enforcement Branch and the Fraud Unit. Finally, a clear standard should be defined for distinguishing in-language fraud and marketing abuse complaints from other general complaints involving in-language issues.

III. AT&T CALIFORNIA'S COMMENTS ON THE SHORT-TERM ACTION PLAN IN THE DRAFT REPORT

1. The Draft Report states Staff is considering whether to initiate a formal proceeding to promulgate new rules or, in the alternative, have the Commission, CBOs, and carriers use the current collaborative CPI process to develop a voluntary code of conduct.¹⁵ AT&T California supports the use of the collaborative CPI process to resolve LEP issues for several reasons. First, the Commission just completed a formal proceeding on consumer protection issues that set up the collaborative CPI process to address LEP issues. Given that the Commission has established this framework and significant progress has been achieved, we support continuing the informal process established expressly for the resolution of issues included in the Draft Report. In AT&T California's experience, far more constructive and productive actions occur when parties speak to each other and seek to understand issues, roadblocks, and options and jointly develop steps forward. Second, carriers should have the

¹⁴ Id.

¹⁵ Id. at iv.

flexibility to address the particular language needs of the customers they serve. This will differ from carrier to carrier and will change over time. Collaboration will help bring the needs of consumers to light. A set of rigid rules and regulations will not give carriers the ability to change their practices to fit the language needs of their customers. Third, if the Commission dictates a set of rules and regulations that govern in-language practices, carriers may be discouraged from offering their services in any languages other than English. For these reasons, a formal proceeding should not be initiated.

2. The Draft Report states the Commission should expand its consumer education programs.¹⁶ AT&T California encourages the Commission in this endeavor and will continue to assist in this regard.

3. The Draft Report directs Staff to facilitate forums to address in-language problems, including the Regulatory Complaint Resolution Forum for carriers.¹⁷ AT&T California is already a participant in the Regulatory Complaint Resolution Forum and is willing to discuss in-language problems there or in any other forum the Commission may create. Our experience with Pacific Bell Multi-Lingual Consumer Advisory Council as well as other groups over the years has led us to greater awareness of issues facing California's diverse population. It has been a positive experience, and we recommend the Commission adopt such an approach.

4. The Draft Report suggests the Commission should address funding for CBOs who assist the Commission with in-language issues.¹⁸ The Commission addressed the issue of CBO funding in the CPI Decision. There, the Commission discussed its ongoing education program funded with \$7.05 million from the state budget for the first year, with \$1.0 million earmarked to fund CBOs.¹⁹ After that, the annual program is funded at \$4.9 million, \$1.9 million of which is designated to fund CBOs.²⁰ Carriers such as AT&T often contribute to CBOs and should be

¹⁶ Id.

¹⁷ Id.

¹⁸ Id. at v.

¹⁹ CPI Decision, mimeo, pp. 131-32.

²⁰ Id.

encouraged to continue to do so. However, carriers should not be the sole funding source for this effort.

As discussed at the workshop, the Commission has issued one Request for Proposal (“RFP”) to meet consumer needs, including in-language outreach and education, and plans to issue another RFP for further outreach. The RFP process should be used to ensure there is financial accountability for the monies received by CBOs and that the CBOs with the most expertise receive funding. If the RFP process proves unsuccessful as a means of distributing state funds, AT&T California suggests the Commission establish a mechanism funded by the state budget that allows CBOs to request payments on a semi-annual basis. To qualify, CBOs should submit proof of their in-language efforts related to telecommunications services for the proceeding six months and then receive compensation for the hours spent on such efforts.

IV. AT&T CALIFORNIA’S COMMENTS ON THE LONG-TERM ACTION PLAN SET FORTH IN THE DRAFT REPORT

1. The Draft Report discusses a triennial process to reexamine in-language issues.²¹ AT&T California believes it is premature to adopt a formal process for ongoing review. At this point, it is unclear what, if any, issues would need to be addressed on an ongoing basis by the industry, CBOs, and the Commission.

2. The Draft Report states the Commission should explore how in-language programs can inform challenges in other industries.²² AT&T California supports the adoption of the in-language programs associated with the CPI Decision for all utilities as a matter of consumer protection. Such efforts would help to ensure that consumers who cannot speak English will have adequate access to electricity, gas, and other utility services as well as telephone service.

²¹ Draft Report, p. v.

²² Id.

V. **AT&T CALIFORNIA'S RESPONSE TO STAFF'S REQUEST REGARDING COSTS AND TIMEFRAMES FOR PRODUCING IN-LANGUAGE MATERIALS**

At the workshop held on August 24, 2006, Staff requested that the carriers address the costs and timeframes for providing materials in language. As discussed at the workshop, there are differences in opinion regarding what materials should actually be provided in language. Some parties discussed the provision of "key terms and conditions" in language, but there was no agreement on what information would be included in the key terms and conditions. Other parties discussed providing bills in language. Thus, it is not entirely clear what in-language information has been requested beyond what AT&T California already provides today. Furthermore, there needs to be recognition that providing materials in language goes beyond the simple translation of a document or a customer bill, and has implications throughout organizations within the company, including back office systems and training.

To address this issue, AT&T California wishes to clarify the materials it currently provides in language. AT&T California provides the following in seven languages: "Mr. Bill-How to Read Your Bill," 1 800 21 GUIDE (24/7 audio information service), "Don't Fall for the Wrong Call" (telemarketing brochure), ULTS audio information service, confirmation letters, and ULTS annual notices. AT&T California also provides customer bills in Spanish. To respond to customers' questions, AT&T California has eight Hispanic Service Centers and eight Asian Centers as well as one Accessibility Resource Center. The Asian Centers and Resource Center provide services in seven languages. And, since 2003, AT&T California has used the Language Line program that interacts with customers in over 160 languages.

In terms of providing bills in language, AT&T California believes it should do so only when it has determined there is a business demand for such information. For example, in 1996, the company determined that it made business sense to create bills in Spanish. This decision was based on overwhelming demand from focus groups, statistics showing large volumes of calls in Spanish to the business offices, and the fact that over 900,000 customers spoke Spanish.

At this time, AT&T California does not believe there is a business justification for adding bills in other languages. However, to assist Staff in evaluating this issue, AT&T California has developed a rough estimate of the one-time, non-recurring costs and the timeframe for revisions to its information technology (“IT”) systems that would be needed to bill in a foreign language, such as Russian.²³ The estimate includes only IT work and excludes all other types of work that would have to be done to implement such billing.²⁴ Additionally, certain IT costs, such as the license for the mainframe formatter, were not included because there was not time to determine the costs of these items. Finally, this estimate does not include the costs of administering customer support for bills rendered in Russian on an ongoing basis.

Based on this preliminary research, AT&T estimates it would take over *****redacted***** hours to complete the IT portion of the project. Additional costs for licenses would also be incurred. The total estimate for labor and licenses is approximately *****redacted.***** The IT portion of the project alone would take *****redacted.***** Given these costs and our limited number of Russian-speaking customers,²⁵ there is no justification for adding the capacity to bill in Russian at this time. Furthermore, if the Commission required in-language billing for Russian where we have so few customers, then many other languages may also qualify for in-language billing, thereby causing us to incur exponentially more costs. As demonstrated by this example, each company has unique business requirements and costs that it evaluates to determine how to best serve its customers. Companies will incrementally add to the provision of in-language materials as justified by the costs of such items. These decisions should be left to companies and not mandated by rules and regulations.

²³ As we heard in the public meetings held throughout the State and at the Commission’s workshops, Russian is a language that is an emerging language beyond those identified in the CPI Decision.

²⁴ Examples of required activities not included in this estimate are the costs for service representatives to answer questions about the bills rendered in language, method and procedures for service representatives, revisions to help screens for service representatives, and outside vendors for bill message translations.

²⁵ AT&T California serves less than 10,000 Russian-speaking customers.

If companies are required to provide bills and other materials in language, they may decide there is no business justification for marketing in the language. In this way, rules and regulations may prevent companies from offering services in language. The existing Commission rules require Commission-mandated notices, annual billing explanations, and universal lifeline service options, as well as a confirmation letter upon the initial sale to be provided in language when the services are marketing in the seven languages identified in the Local Competition Decision. As the Commission found in that decision, other, pre-existing in-language requirements had the “unintended consequence of creating some disincentives for CLCs to market their services to non-English-speaking customers, thereby frustrating our goal of competitive choice for all Californians.”²⁶ The Commission also found “there are practical constraints making it presently infeasible for both CLCs and LECs to prepare monthly bills in multiple languages.”²⁷ In this regard, there have been no major changes since the issuance of the Local Competition Decision that would cause the Commission to change its ruling on in-language bills. Because the Commission has expressly rejected an in-language billing requirement, such a requirement should not be included in the Final Report or any proceeding stemming from the report.

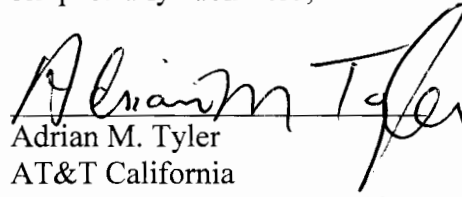
VI. CONCLUSION

AT&T California supports the Staff in its many efforts to address the concerns of LEP consumers as discussed in the Draft Report. AT&T California offers its comments set forth herein as a means of furthering the Commission’s goal of LEP outreach, while at the same time considering the costs and benefits to the carriers of such efforts.

²⁶ Local Competition Decision, 69 Cal. P.U.C.2d, supra, at 71.

²⁷ Id.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Adrian M. Tyler". The signature is fluid and cursive, with the first name "Adrian" being more prominent and the last name "Tyler" following in a similar style. The signature is written over a horizontal line.

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cc: Distribution List for CPI LEP Report Project

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